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DominionEnergy.com



May 6, 2019

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

**RE: Request of Dominion Energy South Carolina, Inc. for Approval of New
"Rider to Retail Rates – Economic Development Rider (EDR)" Tariff (No
adjustment to retail electric base rates of Dominion Energy South
Carolina, Inc. requested)
Docket No. 2019-__-E**

Dear Ms. Boyd:

By this letter, Dominion Energy South Carolina, Inc. ("DESC" or "Company") requests that the Public Service Commission of South Carolina ("Commission") approve DESC's proposed "Rider to Retail Rates – Economic Development Rider (EDR)" tariff ("EDR Tariff"), effective upon Commission Order.

Based on feedback from stakeholders in the economic development process, and the desire to provide clarity and transparency with respect to the rate benefits the Company can offer to business prospects in the state, the EDR Tariff will be a valuable addition to DESC's rate offerings. Approval of the EDR Tariff does not require a determination of the entire rate structure and overall rate of return and does not result in any rate increase to the Company. As such, DESC respectfully requests that the Commission approve the EDR Tariff without notice and hearing. See S.C. Code Ann. § 58-27-870(F).

By copy of this letter, we are serving counsel for the South Carolina Office of Regulatory Staff with the Company's request.

(Continued ...)

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Thank you for your time and consideration. **If you have any questions or concerns, please do not hesitate to contact us.**

Very truly yours,



Matthew W. Gissendanner

MWG/kms
Enclosure

cc: **Dawn Hipp**
Jeffrey M. Nelson, Esquire
Becky Dover, Esquire
Carri Grube-Lybarker, Esquire
(all via electronic mail and First Class U.S. Mail w/enclosure)

RIDER TO RETAIL RATES**ECONOMIC DEVELOPMENT RIDER (EDR)**
(Page 1 of 4)**AVAILABILITY**

This rider is available at the Company's option to non-residential customers taking service under the Company's rate schedules 20, 21, 23 and 24 provided that the entity at this service address is not classified as Retail Trade, Educational Services, Other Services (except Public Administration) or Public Administration by the North American Industry Classification System as published by the United States Government, or the successor system that may supersede this classification system.

This rider is available for Incremental Load, as defined below, associated with permanent service to new or existing establishments and expansions of existing establishments where customers make application under this rider and where the Company approves such application. The Incremental Load must be a minimum of 500 kW or 588 kVA at one point of delivery. To qualify for service under this rider, the Customer must also meet the qualifications under Part A or B below:

- A. The customer must employ an additional workforce of a minimum of twenty-five (25) new permanent full-time equivalent employees per 500 kW or 588 kVA of Incremental Load as defined below. Employee additions must occur following the Company's approval for service under this rider and be certified to the Company by the Customer in writing.
- B. The Customer's Incremental Load must result in a minimum new capital investment of five hundred thousand dollars (\$500,000) per 500 kW or 588 kVA. The new capital investment must occur following the Company's approval of service under this rider and be certified to the Company by the customer in writing.

This rider is not available for load shifted from one establishment or set of delivery points on Dominion Energy South Carolina's system to another establishment. Absent a qualifying expansion, this rider is also not available to a new customer which results from a change of ownership of an existing customer at an existing location on Dominion Energy South Carolina's system. However, if a change of ownership occurs after a customer contracts for service under this rider, the new customer will be allowed to continue service under this rider for the balance of the contract term. Additionally, this rider is not available for renewal of service from an existing customer following interruptions of operations including but not limited to, interruptions resulting from equipment failure, fire, earthquake, temporary plant shutdowns, natural or man-made catastrophes, strikes or economic conditions.

CHARACTER OF SERVICE

The rider provides discounts to the Customer's bills as calculated under applicable rate schedules which are selected by the Customer and will be classified as standard service under such rate schedules. As indicated in the Billing section, below, discounts under this rider will only be applicable to Basic Facilities Charges, Demand Charges and Energy Charges incurred under rate schedules 20, 21, 23 and 24.

DEFINITIONS

1. Incremental Load: Means the net permanent, new load, excluding renewal of service loads, which is greater than the load which existed prior to approval of an application for service under this rider. Such load will be determined solely by the Company. Incremental Load shall exclude any interruptible service, back-up service, standby service, or otherwise non-standard power service.
2. Effective Date: Means the date the Contract for service under this rider is signed.
3. Contract Year: Means the period of twelve (12) consecutive monthly billing cycles beginning with the first invoice to which the Economic Development Incentive ("EDI") Credit is applied.
4. Month: Means the period between any two (2) regular readings of the Company's meters which ordinarily shall not be less than twenty-eight (28) days or more than thirty-four (34) days.
5. Service Date: Means the first day of the first month in which the EDI Credit will be included on the bill.

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ECONOMIC DEVELOPMENT RIDER (EDR)
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GENERAL PROVISIONS

1. The Customer must make application to the Company for service under this rider and the Company must have approved the application before an EDI Credit will apply. The application must include a description of the amount and nature of the Incremental Load and must specify the basis on which the Customer seeks to qualify under the Availability section above, including Part A or B. In the application, the Customer must affirm by means of a signed affidavit that the availability of this rider was instrumental in the Customer's decision to locate or expand its facilities on the Company's system.
2. The Customer must sign a contract for service under the terms of this rider (Contract) and must agree to an initial minimum Contract term of ten (10) years, with the EDI Credits being available for a maximum period of five (5) years beginning with the Service Date.
3. The Customer shall notify the Company in writing at least thirty (30) days in advance of the month to which it elects for the EDI Credits to begin to apply. If no such notice is received, the Company will declare a Service Date and begin to apply the EDI Credits, if any are due, not later than six (6) months after the Company-owned transformers are energized and electric service was first made available to the Customer. The five-year eligibility period for the EDI Credits will begin to run at that time even if the Customer does not take service. Service received by the Customer prior to the Service Date may be under a rate schedule not listed on this rider.
4. For Customers applying for EDI credits based on an expansion, the Company will determine, based on historical usage during the appropriate period, what portion of the Customer's load qualifies as Incremental Load that is eligible under this rider. The Customer must also meet all other qualifications as outlined in the Availability section above.
5. All provisions of the applicable rate schedules described above will apply to service qualifying under this rider. EDI credits shall only apply to the specific rate elements listed in the Billing section, below.
6. In consideration for the EDI credits provided under this rider, the Customer shall take full-requirements service from the Company for the term of the Contract such that all energy and capacity needs at the Customer's facility will be purchased from the Company except for Customer-owned power generation for emergency use by Customer as backup for its critical infrastructure and/or the installation and operation of a battery storage system for emergency use by Customer as backup for its critical infrastructure. The Company may enforce this requirement through legal or regulatory proceedings. In addition and at the Company's option, in the event of non-compliance by the Customer, the Customer agrees to pay to Company an amount equal to the sum of all EDIs applied by the Company to the Customer's invoices under the Contract. This requirement does not preclude the Customer from participating in any of the Company's otherwise applicable programs including its Distributed Energy Resource (DER) or Standby Generator programs.

BILLING

The Customer will be billed according to the rate schedule the Customer has chosen consisting of: 1) Basic Facilities Charges; 2) Energy Charges; 3) Demand Charges; and 4) any other applicable charges as specified in that rate schedule. Beginning with the Service Date, and extending for the first five (5) years of the ten (10) year Contract term, a qualifying Customer will receive an EDI Credit as follows:

1. **EDI Credit:** The Customer's monthly EDI Credit shall be determined by applying the applicable EDI Credit percentage (EDI Credit Percentage) as shown in paragraph 2 below to the sum of the Basic Facilities Charges, the Demand Charges and the Energy Charges as billed for that service under the Company's rate schedules 20, 21, 23 and 24.

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2. Excluded from EDI Credit calculations are those rate components (Components) which are charged under other riders or adjustments which either are currently in effect or which may be added in the future. The Components that are currently in effect include: (1) Adjustment for Fuel, Variable Environmental & Avoided Capacity, and Distributed Energy Resource Costs; (2) Demand Side Management Component; (3) Pension Costs Component; and (4) Storm Damage Component.
3. EDI Credit Percentages: The Customer's EDI Credit Percentage shall be:

EDI CREDIT PERCENTAGES (%)

Load Factor (%)	40-49	50-64	65 or greater
Months 1-12	15	25	30
Months 13-24	10	15	20
Months 25-36	5	10	15
Months 37-48	5	5	10
Months 47-60	0	5	5

4. The appropriate EDI Credit Percentage will apply based on the Customer's actual load factor calculated at billing. The load factor will be calculated based on kilowatt-hours (kWh) used during the month divided by the product of the maximum 15-minute kW demand registered or computed times the actual number of billing hours in the month. The load factor used to determine the EDI credit for expansion loads will be the load factor for the total facility.
5. In the event that the Customer is no longer served under rate schedules 20, 21, 23 and 24 for any portion Customer's load, the EDI Credits will no longer be applicable to such portion.
6. EDI Credits will be terminated in the event that the Customer violates or no longer meets any of the terms and conditions associated with the rider or the application for service under it.

EARLY TERMINATION CHARGES

Should this rider be terminated for any reason prior to the conclusion of the initial term, the Company shall bill and the Customer shall pay, within thirty (30) days of the invoice date, the percentage of all EDI Credits previously applied by the Company to the Customer's invoices under this rider according to the following schedule:

Contract Year	% of Total Received EDI Credits
1-5	100%
6	80%
7	60%
8	40%
9	20%
10	10%

The Early Termination Charges under this rider are in addition to all other termination charges provided for in the Contract including but not limited to the facilities termination charge described in the Standard Conditions and the demand termination charge described in the Standard Conditions.

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

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TERM OF CONTRACT

Contracts shall be for an initial minimum term of ten (10) years, with the EDI Credits being available for a maximum period of five (5) years beginning with the Service Date. There shall be a separate Contract for each meter at each location. Contracts will survive termination or expiration of EDI Credits.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are part of this rider.